GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:3830
ANSWERED ON:08.04.2003
FOREIGN DIRECT INVESTMENT
RAMESH CHENNITHALA;VINAY KUMAR SORAKE

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether with permitting 100% Foreign Direct Investmentin the development of integrated townships, there have not been sizeable foreign investment;

(b) if so, the facts in this regard;

(c) whether overseas investors are wary of investing into funds in urban development sector because of rigid existing laws relating thereto; and

(d) if so, the steps taken to encourage Foreign Direct Investment and make the land revenue and land reform process in urban areas investor friendly?

Answer

MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI PON RADHAKR)

(a)to(d): Guidelines for Foreign Direct Investment in the development of integrated townships were issued on 4.1.02.

Any investor proposing to invest in the development of integrated township will have to assess commercial viability of the project before seeking approval of the Government. As such Foreign Direct Investment may take time to pick up in the development of integrated townships.

Government has since permitted development of integrated township at Gurgaon (Haryana) and Hyderabad (Andhra Pradesh).

Any Foreign Direct Investment in development of integrated township has to conform to existing laws of the country.

Land revenue and land reforms are State subjects. However, State Governments have been requested to adopt Urban Land (Ceiling & Regulations) Repeal Act, 1999, enacted by Parliament.